

Revised based upon Select File amendments

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	41,650		18,700	
CASH FUNDS	21,000,000		11,000,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	21,041,650		11,018,700	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 1098 would revise the membership of the Natural Resources Commission to include 27 members, including 14 individuals appointed by the Governor to represent various water user groups and 13 representatives of river basins. It is estimated that expanding the size of the Commission would increase costs to the Department of Natural Resources by \$41,650 General Funds in FY14-15 and \$18,700 General Funds in FY15-16. Costs are higher in FY14-15 because the department estimates that more Commission meetings would be required to develop rules and regulations for the Water Sustainability Fund and to provide orientation sessions for new Commission members.

As amended, LB 1098 would create administrative and governance provisions for the Water Sustainability Fund. The Water Sustainability Fund was created in LB 906 of 2014, and an initial transfer of \$21,000,000 General Funds into the fund was also carried out in LB 906. It is estimated that the Department of Natural Resources would require 2 FTE to assist the Commission in the development of rules and regulations and to provide agency administration for the grant process contemplated in LB 1098. Because LB 905 authorized the use of the Water Sustainability Fund for agency administrative expenses, total staffing and administrative costs would be \$134,407 Cash Funds in FY14-15 and \$127,007 Cash Funds in FY15-16. The remaining funding in the Water Sustainability Fund would be used for projects as authorized in LB 1098. The expenditure of \$11,000,000 Cash Funds in FY15-16 is based upon the fund creation language, which states in intent that \$11,000,000 be transferred into the fund annually beginning in FY2015-16.

Amendments adopted to LB 1098 on Select File would require natural resources districts located in a river basin that contains three or more districts to develop and adopt a basin-wide plan in conjunction with the Department of Natural Resources. LB 1098 would require that a basin-wide plan be completed, adopted and take effect three years after the effective date of the act, unless the natural resources districts and the department agreed to an extension of not more than an additional two years. Within five years after the adoption of a plan, and every five years thereafter, the districts and the department would conduct a technical analysis of the progress made towards meeting the objectives of the plan. It is estimated that the resources of the Department of Natural Resources will be adequate to participate in a basin-wide planning process.